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12/12/03

**INFORMATIONAL NOTICE**

**TO: Participating Medical Providers**

**RE: HIPAA Readiness Update**

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In an informational notice dated September 15, 2003, the department informed providers of various billing changes related to HIPAA implementation. This notice reiterates information contained in the September 15, 2003 notice as well as identifies the department's plans related to HIPAA implementation.

Providers are encouraged to refer to the department's Web site for information regarding HIPAA. The Web site is updated regularly with the latest developments as we move toward the implementation of HIPAA. We strongly suggest that you visit the Web site frequently and notify your billing services or software vendor to also monitor the Web site.

**General HIPAA Information** <<http://www.myidpa.com/hipaa/>>

**HIPAA Testing Information** <[http://www.myidpa.com/hipaa/q&a\\_hipaa.html](http://www.myidpa.com/hipaa/q&a_hipaa.html)>

Testing for X12 and HIPAA Compliance is an ongoing effort. For more information on testing, please refer to the "Questions and Answers" page on the testing Web site.

The department has been working with other state agencies to coordinate HIPAA implementation. If you bill another agency directly, you may be receiving additional information from that agency.

**Pharmacy**

The department has implemented the NCPDP 5.1 format effective October 16, 2003. The department will continue to accept NCPDP Version 3A through February 1, 2004. Effective with receipts on or after February 2, 2004, the department will only accept NCPDP Version 5.1.

Retail pharmacies billing medical supplies can continue to do so in the NCPDP format in accordance with the contingency plan guidance provided by CMS. Pharmacies wishing to bill supplies with HCPCS in the 837P format or paper claim Form DPA 2210 must be enrolled with the department as category of service 48 (medical supplies).

Providers should refer to Chapter 300, Handbook for Electronic Processing and M-200, Handbook for Providers of Medical Equipment and Supplies for information regarding the 837P or DPA 2210 billing procedures of medical supplies.

### **Local Codes**

With the exception of Durable Medical Equipment and Supplies, the department will **not** be closing the state generated local codes and modifiers effective January 1, 2004. For all other services, providers must continue billing the department using the state generated local codes and modifiers through March 31, 2004. Effective with dates of service on or after April 1, 2004, the department will require the new code conversions and modifiers be submitted in the existing claim formats.

Effective with dates of service January 1, 2004, and after, the department will stop using state generated procedure codes and instead accept the appropriate HCPCS or CPT codes for Durable Medical Equipment and Supplies only. A table showing these codes to assist in submitting claims to the department for items provided on or after January 1, 2004 can be found on the department's Web site at <http://www.dpallinois.com/reimbursement/dme.html>

**The department has released several notices to providers regarding the national HCPCS procedure codes to be used. These notices are still valid with regard to the codes; the only change is the effective date.**

**Home Health Agencies received a notice October 29, 2003, that outlined several miscellaneous billing changes, in addition to the code conversion. These billing changes will also become effective April 1, 2004.**

### **APL ICD-9-CM to HCPCS Conversion**

Effective with dates of service on or after October 16, 2003, the department will require that all hospital outpatient and ASTC services be billed using the current formats and current APL ICD-9 CM procedure codes in conjunction with the appropriate HCPCS/CPT codes. **Claims submitted must contain HCPCS/CPT procedure codes in conjunction with the APL ICD-9 CM procedure codes.** Reimbursement for these services will continue to be made based on the highest APL ICD-9 CM procedure code billed.

Effective with dates of service on or after July 1, 2004, providers will be required to bill outpatient UB92/837I transactions using the new Ambulatory Procedures Listing (APL) HCPCS/CPT codes. The new APL will be available on the department's Web site by June 1, 2004 at <http://www.dpallinois.com/reimbursement/apl.html>

### **Physicians Billing for Drugs**

The eight (8) digit drug codes currently being used for billing of administered or dispensed drugs by physicians, clinics, and other providers were not eliminated on October 16, 2003. Effective with dates of service on or after April 1, 2004, providers will be required to bill for these items using the appropriate HCPCS codes in the existing formats.

The department will **not** require the use of National Drug Codes (NDC) for drugs administered or dispensed by physicians, clinics or other non-pharmacy providers, effective with dates of service on or after January 1, 2004, as previously announced. Providers will be informed at a later date when this requirement will be enforced.

### **Internet Electronic Claims**

The department's Medical Electronic Data Interchange (MEDI) site is being enhanced to allow electronic claims submission through the Internet. This functionality is called MEDI Internet Electronic Claims (IEC). MEDI IEC will support electronic claims submission, recipient eligibility inquiries, claim status inquiries, prior authorization requests and electronic remittance advices. The MEDI IEC site will not be implemented January 1, 2004. The implementation will be announced at a later date.

If you have any questions concerning this notice, you may contact the Bureau of Comprehensive Health Services at 217-782-5565.

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Administrator  
Division of Medical Programs